

## Message Text

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PAGE 01 COTONO 00129 271628Z

45

ACTION AF-06

INFO OCT-01 ISO-00 SS-15 EB-07 SP-02 /031 W

----- 050090

R 271406Z JAN 76

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 8061

INFO AMEMBASSY LAGOS

C O N F I D E N T I A L COTONOU 0129

FOR AF/W

EO 11652: GDS

TAGS: BEXP, EINV, DM

SUBJ: EXIMBANK INTEREST IN SAVE SUGAR PROJECT

REF A - 75 STATE 3962, B - 74 STATE 152145,

1. LONRHO REP MANAGING JOINT BENIN-NIGERIA SUGAR PROJECT AT SAVE HAS ALLEGED TO EMBASSY OFFICER THAT EXIMBANK HAS RENEWED ITS INTEREST IN PROJECT. ACCORDING TO LONRHO REP, LETTER FROM EXIM INDICATES WILLINGNESS TO FINANCE PROJECT IF GOVT OF NIGERIA PROVIDES GUARANTEE AND ASSURANCES OF ACCESS FOR THE SUGAR TO THE NIGERIAN MARKET.

2. EMBASSY FINDS IT HARD TO BELIEVE THAT EXIM BANK WOULD BE TAKING STEPS TO GET INVOLVED IN THIS PROJECT, IN VIEW STEADY DETERIORATION OF POLITICAL AND ECONOMIC CONDITIONS IN PEOPLE'S REPUBLIC OF BENIN AND RELATIVELY POOR STATE OF USG-BENIN BILATERAL RELATIONS. A YEAR AND A HALF AGO WHEN CONDITIONS IN THIS COUNTRY WERE MUCH LESS UNSATISFACTORY FROM USG POINT OF VIEW AND EMBASSY WAS PUSHING FOR EXIM PARTICIPATION IN SUGAR REFINERY, EXIM TURNED DOWN THE PROJECT (REF B). TO THE BEST OF OUR KNOWLEDGE THE REASONS FOR FORMAL DISAPPROVAL WERE PROJECT SIZE AND OVEROPTIMISTIC PROJECTIONS OF SUGAR PRICES. IN JAN 75 (REF A) THERE WAS AN INDICATION OF CONTINUED EXIM INTEREST, THOUGH THE BANK STILL THOUGHT THERE WAS TOO MUCH INFRASTRUCTURE IN THE PROJECT. AT THAT TIME, THE BANK WAS ASKING THE DAHOMEAN GOVT TO EXPLAIN THE IMPLICATIONS OF ITS  
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PAGE 02 COTONO 00129 271628Z

MARXIST-LENINIST ECONOMIC POLICY. WE ARE NOT AWARE THAT THE BENIN GOVT RESPONDED TO THAT REQUEST.

3. EMBASSY WOULD APPRECIATE CLARIFICATION OF EXIMBANK POSITION.  
ENGLE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, FOREIGN INVESTMENT, JOINT VENTURES, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976COTONO00129  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760031-0259  
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**Office:** ACTION AF  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 3962, 76 STATE 152145  
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**Review Authority:** GolinoFR  
**Review Comment:** n/a  
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**Review Date:** 22 JUN 2004  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXIMBANK INTEREST IN SAVE SUGAR PROJECT  
**TAGS:** BEXP, EINV, DM, XMB  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006